

## Kissinger and IMF set Ibero-America on fire

by Robyn Quijano

Brazil, a nation of 130 million people, with a land mass greater than the continental United States, and the largest and most diversified economy in all of Ibero-America, will see riots and chaos, death and disintegration like the riots in Santo Domingo during the last week of April. This will happen if International Monetary Fund (IMF) dictates continue to be followed, political analysts fear.

Riots, demonstrations, and strikes erupted throughout the Dominican Republic, the Caribbean nation 600 miles southeast of Florida on April 22, leaving at least 54 dead, hundreds wounded, and stores and banks looted and burned in 20 cities. Rioters were enraged at sharp increases of up to 300% in basic foods and the tripling of medicine prices, as the government ended subsidies and lifted price controls.

That Brazil is next is the evaluation of political analysts throughout the continent who looked at the tragedy of Santo Domingo as a mirror image of their own nations. The IMF prescription, which has caused the spread of malaria—almost wiped out a decade ago in Brazil—is being followed in nation after nation with the same foreseeable consequences.

### IMF hits Santo Domingo

The IMF demanded the tripling of prices by requiring that all imports of food and medicines be paid for at the free market rate of three pesos to the dollar instead of the official rate, as a condition for a \$459 million credit agreement signed the previous week by Dominican President Salvador Jorge Blanco. Blanco had called upon President Reagan to intercede with the IMF “to revise and make more flexible” the conditions for the loan. Otherwise, said Blanco, his nation, a “key country in the Caribbean,” would triple its rate of inflation and suffer “a great increase in social tension.” Un-

employment was already 30%—50% in towns where industries have been closed.

President Reagan answered Blanco’s letter by assuring him that the U.S. government was “following with great interest” the Dominican Republic’s negotiations with the Fund, but that “our policy is not to intervene in these types of discussions between the Fund and its members.” He also assured Blanco that the program of the IMF would help to “stabilize” the country, and “strengthen the confidence of the private financial institutions.”

After the exchange of letters, President Blanco visited Washington and met with President Reagan. He ended his visit with a private meeting with Henry Kissinger, the man running administration policy for Ibero-America. Afterward Blanco signed with the IMF, and returned to Santo Domingo to face a mobilization of trade unions and businessmen warning him that the starvation and death that would result from not being able to import food and medicines would not be tolerated. Doctors said that hospitals would cease normal functioning, as controllable illnesses became fatal for lack of basic supplies.

An IMF delegation arrived in Santo Domingo on April 25, in the middle of the rioting, to review the Fund’s conditions. It is not yet known if they approved of the “stability” and the “confidence” that they have produced. Santo Domingo was plastered for their arrival with signs saying “IMF, out of the Dominican Republic.”

### Brazil next?

Health agencies in Brazil attribute the 67% increase in cases of malaria in the last three months to the fact that the key components of DDT were not imported last year due to

lack of foreign exchange, and to IMF demands for a massive cut in all imports. Every 20 minutes a child dies of hunger in Brazil. In March, industrial employment was down 23% from 1980 levels, and inflation has eroded the legal minimum wage to less than \$10 per week.

Millions marched in the streets on April 25 to back a constitutional amendment allowing direct election of the president, the issue seen by the population as the only possible way of overturning the IMF dictatorship. Nationalists in the Brazilian military and the ruling party are no happier with the IMF's dismantling of their economy than the millions that banged pots and pans and honked their horns in a "night of noise" supporting direct elections the night before the amendment vote.

The IMF calls it an "adjustment." But the continent's political leaders, trade unionists, and industrialists now see the IMF demands as provoking deliberate disintegration. "Soviet insurgencies could not do as well as the IMF in destroying the private sector," commented one Peruvian industrialist to *EIR*.

In Bolivia, IMF-imposed price hikes in basic consumer items have set off a new series of worker protests, and the military is threatening a coup. In Argentina and Colombia, the trade unions have taken direct aim at the IMF and the impossible debt situation. In Mexico, the cost of some basic consumer goods has just shot up by 40%. Throughout the continent, Labor Day, May 1, will see massive protests against the IMF's poisonous prescriptions. But provocateurs could cause the organized protests to erupt into uncontrollable explosions throughout the continent.

When Mexican President Miguel de la Madrid visits Washington on May 12, with a program backed by 75% of the continent—demanding lower interest rates, new credits and a letup on IMF conditionalities—he is likely to get the same treatment that Blanco received.

The leaders of Ibero-America will have a clear choice: either preside over the death of their nations, or unite to impose a new monetary order. Either join in the battle against Kissinger, and impose Operation Juárez—the LaRouche plan for debt relief and "great projects" development, an Ibero-American common market and a new gold-reserve-based monetary system—or face more Santo Domingos.

### Trilateral game

A plan for dismembering the nation-states of Ibero-America was laid out by the Trilateral Commission at its meeting in Washington on April 1. In the discussion document for the meeting, "Democracy Must Work, a Trilateral Agenda for the Decade," the following debt strategy was laid out—a strategy that will do more to wipe out democracy on the continent than massive guerrilla armies: "The IMF itself will need to interpret its terms of reference more flexibly than at present to deal with cases in which the conventional criteria would deny adequate assistance to key countries whose po-

litical or strategic importance to the West means that they cannot be allowed to go into default on their debt or to slide into internal anarchy and chaos."

The Trilateral Commission thus recommends anarchy and chaos for those nations whose "political or strategic importance" doesn't count. Since the stability of every Ibero-American nation is of crucial importance to the West, the question is then, *in whose interest are the policies of the Trilateral Commission and the IMF?*

Debt relief for those "favored" nations deemed to be of "political or strategic importance" will slow down the process of death; the IMF will mercifully supply arsenic instead of the cyanide delivered in large doses to the nations set for total destruction.

These favored nations will be offered the "stability" of foreign investment, a term now used to mean selling off all private and public sector industry of any worth for a tiny percentage of their value to foreign banks while ever-increasing interest rates and forced devaluations knock out any of the gains made from divesting the assets of the nation.

This plan of "debt for equity" was presented by Henry Kissinger at a meeting in Vail, Colorado, last August, and is now officially part of the World Bank's International Finance Committee-plan, according to the Brazilian weekly *Relatorio Reservado*. The World Bank would run a mutual fund that would buy up Brazilian companies "at the price of a banana," says *Relatorio*, and run them for foreign banks that would use the interest payment collected in blocked accounts of cruzeiros to buy shares in the mutual fund. The World Bank is working on a scheme by which 35% of Brazil's interest would be paid in such cruzeiro accounts. Such are the great favors bestowed on those important countries of the continent.

### Kissinger's chaos

The events in Santo Domingo were designed by the IMF, and maneuvered by the Trilateral Commission's Henry Kissinger, so that this "unimportant" country would be allowed to "slide into chaos" with a lot of help from its friends.

Unfortunately for the survival of Western civilization, the Soviets understand the Trilateral game plan better than President Reagan, and are poised to take total advantage of the IMF-imposed chaos. An article by the head of the Dominican Communist Party, Narcisso Isa Conde, printed in the March issue of the Soviet monthly magazine *Latin America*, previews with precision the current situation.

The Social Democratic government of Blanco will be finished off, Isa Conde asserts, as the IMF conditions "promote social revolution and the establishment of revolutionary power in the country . . . the magnitude of the economic crisis enters into contradictions with the entirety of the liberal democratic political model."

There is no better proof that Kissinger and the IMF are acting in the interest of the Soviet policy of eliminating the nation-state than the recent events in Santo Domingo.